

**THE LATE**  
**Professor FAWCETT**  
**ON THE**  
**"UNEARNED INCREMENT"**

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The late Mr. HENRY FAWCETT, M.P., Professor of Political Economy in the University of Cambridge, wrote, with reference to the proposal that the State should appropriate the "unearned increment" of land:—

" It seems to us that it can neither be defended  
" on grounds of justice nor expediency. If  
" the State appropriated this unearned  
" increment, would it not be bound to give  
" compensation if land became depreciated  
" through no fault of its owner, but in consequence of  
" a change in the general circumstances of the country?  
" Although there is perhaps no reason to suppose that  
" the recent depression in agriculture will be per-  
" manent, yet it cannot be denied that in many districts  
" of England there has been a marked decline in the  
" selling value of agricultural land within the last few  
" years. If, therefore, the State in prosperous times  
" appropriates an increase in value, and if in adverse  
" times the falling off in value has to be borne by the  
" owner, land would at once have a disability  
" attached to it which belongs to no other  
" property. If we purchase a house, a manufactory,  
" or a ship, we take the purchase with its risks of loss  
" and chances of gain; and why with regard to land, and

“ to land alone, should a purchaser have all the risks  
“ of loss and none of the chances of gain? If thirty  
“ years ago £100,000 had been invested in agricultural  
“ land, and if at the same time another £100,000 had  
“ been invested in such first class securities as railway,  
“ banking, insurance, water, or gas shares, it can scarcely  
“ be doubted that if the latter investment had been made  
“ with ordinary judgment there would be, at the present  
“ time, a very much larger unearned increment of value  
“ upon the shares than upon the land. The increase in  
“ the value of the shares would have taken place quite  
“ independently of any effort or skill on the part of the  
“ owner, and, therefore, it may be asked, why should  
“ this unearned increment remain as private  
“ property, if the unearned increment in the  
“ value of land is to be appropriated by the  
“ State ? ”

Generally with reference to proposals either to nationalise the land or to appropriate the “ unearned increment,” PROFESSOR FAWCETT wrote:—

“ Such proposals would take us with regard to land  
“ reform exactly in the opposite direction to that in which  
“ we ought to move. If we associate with the  
“ ownership of land any disability or disadvantage  
“ which does not belong to other  
“ kinds of property, a direct discouragement  
“ is offered to the investment of capital in the  
“ improvement of the soil; whereas what above all  
“ things should be striven after is to promote the free  
“ flow of capital to agriculture.”